

VZCZCXRO2427  
PP RUEHFK RUEHKSO RUEHNAG RUEHNH  
DE RUEHKO #0598/01 0770800  
ZNR UUUUU ZZH  
P 180800Z MAR 09  
FM AMEMBASSY TOKYO  
TO RUEHC/SECSTATE WASHDC PRIORITY 1570  
INFO RUEKJCS/SECDEF WASHDC PRIORITY  
RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY  
RUEAWJA/USDOJ WASHDC PRIORITY  
RULSDMK/USDOT WASHDC PRIORITY  
RUCPDOG/USDOC WASHDC PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
RUEKJCS/JOINT STAFF WASHDC//J5//  
RHHMUNA/HQ USPACOM HONOLULU HI  
RHHMHBA/COMPACFLT PEARL HARBOR HI  
RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA//  
RHMFIUU/USFJ //J5/JO21//  
RUYNAAAC/COMNAVFORJAPAN YOKOSUKA JA  
RUAYJAA/CTF 72  
RUEHNH/AMCONSUL NAHA 5366  
RUEHFK/AMCONSUL FUKUOKA 3026  
RUEHOK/AMCONSUL OSAKA KOBE 6818  
RUEHNAG/AMCONSUL NAGOYA 0791  
RUEHKSO/AMCONSUL SAPPORO 3570  
RUEHBJ/AMEMBASSY BEIJING 8314  
RUEHUL/AMEMBASSY SEOUL 4339  
RUCNDT/USMISSION USUN NEW YORK 4235

UNCLAS SECTION 01 OF 05 TOKYO 000598

SIPDIS

DEPT FOR E, P, EB, EAP/J, EAP/P, EAP/PD, PA;  
WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION;  
TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS OFFICE;  
SECDEF FOR JCS-J-5/JAPAN,  
DASD/ISA/EAPR/JAPAN; DEPT PASS ELECTRONICALLY TO USDA  
FAS/ITP FOR SCHROETER; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR;  
CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAO](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)

SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 03/18/09

INDEX:

- (1) Ruling coalition in dilemma over measures for additional economic package (Mainichi)
- (2) Proposals on tourism, transportation made at second session of expert panel meeting (Nikkei)
- (3) TOP HEADLINES
- (4) EDITORIALS
- (5) Prime Minister's schedule, March 17 (Nikkei)
- (6) Mori, South Korean premier agree on need to prevent North's "satellite" launch (corrected) (Yomiuri)

ARTICLES:

- (1) Ruling coalition in dilemma over measures for additional economic package

MAINICHI (Page 5) (Full)  
March 18, 2009

Little progress has been made in work to devise additional economic stimulus measures by the Liberal Democratic Party (LDP) and the New Komeito. The ruling coalition intends to focus on public works projects by spending public funds. To prevent criticism from being evoked as "pork-barrel projects," the coalition eyes "next-generation" projects that will lead to creating jobs and protecting the environment. But the fiscal scale of such projects is

small. With an eye on the next House of Representatives election, calls are growing among party members for large-scale government spending. Under this situation, conventional-type public works projects that involve huge amounts of government disbursements may be carried out again.

The LDP held a meeting of the strategy council to revive the Japanese economy, chaired by former Chief Cabinet Secretary Nobutaka Machimura, at party headquarters yesterday to discuss additional measures to buoy up the economy. A representative from the party's research commission on international competitiveness proposed that Japan should give priority to fiscal disbursements over fiscal reconstruction for the time being in order to cope with the ongoing once-in-a-century depression." The representative listed these six items: (1) roads; (2) airports; (3) harbors; (4) web railways; (5); and underground power lines. He then called for 14.7 trillion yen in government funds to implement projects related to these items

Many participants presented views seeking a switch from the fiscal reconstruction policy, one suggesting: "It is necessary to change the current approach." An influential member of the conference said after the meeting: "When considering job opportunities, conventional-type public works projects are the most effective means. Next-generation-type public works projects cannot significantly create jobs."

As "next-generation-type" projects, LDP members have proposed a Japanese version of the Green New Deal policy, such as those to spread solar power generation and next-generation automobiles across the nation and to make schools safe in earthquakes. Traditional

TOKYO 00000598 002 OF 005

public works projects tend to be criticized as intended for general contractors. Keeping such criticism in mind, some ruling party members suggest making next generation-type projects as eye-catchers in the extra economic package. But since such projects do not need large amounts of government funds, a senior LDP Policy Research Council member posed questions about such projects' effect on the economy. The New Komeito also remains unable to devise major projects, so some members have begun to say that there is no need to produce a package in haste because the next general election might be delayed.

The two ruling parties intend to compile an extra package by the end of March. The ruling parties, given the worsening economic situation, also aim to give a boost to the administration by presenting additional measures. But a senior LDP member grumbled: "If we come up with traditional public works projects, public support for the cabinet might tumble further."

(2) Proposals on tourism, transportation made at second session of expert panel meeting

NIKKEI (Page 5) (Full)  
March 18, 2009

The government on March 17 held at the Kantei a second meeting of the Council to Overcome the Economic Crisis, which it has established to hear views from specialists from various fields. Representatives from the transport, tourism and real estate industries exchanged views. Many participants voiced their views, with one saying it is important to accept foreign tourists in a positive manner and revitalize local regions by improving traffic networks.

Japan Airlines President Haruka Nishimatsu pointed out that increasing the number of Chinese tourists to Japan by easing requirements for a tourist visa would lead to boosting domestic demand. He said that it is important to connect Narita Airport and Haneda Airport well for foreign tourists' smooth access to various tourist spots.

Yoshimichi Hoshino, president of Hoshino Resort, explained his pet theory of easing congestion and evening out demand for tourism by having each region observe the Golden Week consecutive holidays on separate days. He also noted that Japan is a safe place and this is

a factor that can become a resource in luring foreign tourists. Prime Minister Aso responded in a humorous manner, "In Japan, even if you get drunk and fall asleep on a subway train, you don't have to worry about your bag being snatched."

In the real estate area, Mitsui Fudosan President Hiromichi Iwasa proposed measures to generate demand for housing by easing the housing loan screening process, including granting government guarantee to housing loans extended by financial institutions and using government-affiliated financial institutions. In the agricultural sector, Vice Chairman Masao Hatakeyama of the Central Union of Agricultural Cooperatives (Zenchu) called for financial support, saying: "We will continue rice acreage reduction. However, it is imperative to improve a safety net in order for farmers to ensure income."

The panel will meet until the 21st. Views from its members will be reflected in an additional economic stimulus package, which the

TOKYO 00000598 003 OF 005

government will compile as early as April.

Points of views heard at expert council on the 17th

Masao Iizuka: Chairman of the Japan Forestry Association  
Financial assistance to encourage forestry enterprise operators

Hiromichi Iwasa: President of Mitsui Fudosan  
Generate demand by granting government guarantee to housing loans

Masahiko Okabe: Chairman of Nippon Express  
Improve the functions of Haneda and Narita Airports and consolidate neighboring transportation networks

Isao Nakasu: Chairman of the Japan Fisheries Association  
Promote employment in the fisheries industry and assistance for expanded fisheries product exports

Haruka Nishimatsu: President of Japan Airlines  
Ease requirements for a tourist visa issued to Chinese. Increase the number of foreign visitors to Japan.

Masao Hatakeyama: Vice chairman of the Central Union of Agricultural Cooperatives (Zenchu)  
Improve financial support for a decline in agricultural production due to rice acreage reduction.

Takashi Fukuda: President of iSquare  
Reduce or exempt from the gas tax imposed on the transportation of agricultural products and highway tolls

Yoshimichi Hoshino: President of Hoshino Resort  
Each region observes the Golden Week holidays on separate days. Revitalize tourism by leveling peak periods.

### (3) TOP HEADLINES

Asahi:  
Poll: 60 PERCENT greatly dissatisfied with politics

Mainichi:  
Four major electronics firms, including Sharp, to freeze regular wage hikes

Yomiuri:  
Report from waters off Somalia: SOS often follows attack by pirates

Nikkei:  
Government to cooperate with private sector to strengthen Japan's photovoltaic power generation business

Sankei:  
Akita governor may have been aware of donations to Ozawa from general contractors, including Nishimatsu

Tokyo Shimbun:

Toyota's bonus is to be 670,000 yen lower than last year; Sharp to freeze regular wage hike

Akahata:

In response to JCP's Koike, MHLW minister promises flexible stance on insurance cards for elderly

TOKYO 00000598 004 OF 005

(4) EDITORIALS

Asahi:

- (1) Political Funds Control Law: Thorough information disclosure called for
- (2) Corporate donations must be banned

Mainichi:

- (1) Elderly healthcare system: Political parties urged to present reform plans for next general election
- (2) Sex education ruling raises question about existence of education board

Yomiuri:

- (1) Stabilize medical care system for people over 75
- (2) NTV president resigns: Examine erroneous report to restore public trust

Nikkei:

- (1) Bank of Japan to support banks' capital
- (2) Expectation and concern over reduced expressway tolls

Sankei:

- (1) Sell "environment" for Japan's bid to host 2016 Olympic Games
- (2) Resignation of NTV president: Restoration of public trust takes a thorough explanation

Tokyo Shimbun:

- (1) NTV president resigns: Examine erroneous report to restore public trust
- (2) Reform of child-care system: Parents can no longer wait

Akahata:

- (1) El Salvador election: Historic outcome breaks America's yoke

(5) Prime Minister's schedule, March 17

NIKKEI (Page 2) (Full)  
March 18, 2009

09:01

Attended a cabinet meeting in the Diet. Chief Cabinet Secretary Kawamura stayed behind.

10:15

Met at the Kantei with Brazil-Japan Parliamentary League Chairman Iihoshi, with Chief Cabinet Secretary Kawamura present. Followed by Japan International Cooperation Agency President Sadako Ogata, with Deputy Foreign Minister Sasae.

11:05

Met Deputy Chief Cabinet Secretary Matsumoto.

12:54

Attended a meeting of lawmakers in the Diet.

13:02

Attended a Lower House plenary session.

16:08

TOKYO 00000598 005 OF 005

Met at the Kantei with Vice Finance Minister Sugimoto, Vice Minister of Finance for International Affairs Shinohara, and Assistant Deputy

Chief Cabinet Secretary Fukuda. Fukuda stayed behind. Followed by Cabinet Office Vice Minister Tanimoto, Parliamentary Secretary Uno, Vice Minister Yamamoto, Decoration Bureau Director General Fukushima, and others, with deputy chief cabinet secretaries Matsumoto, Konoike and Uruma present. Followed by Japan Basketball Association Deputy President Yushi Samuro and others.

17:56

Attended a gathering of the Japan Junior Chamber's Senior Club members at Tokyo Prince Hotel.

19:03

Attended an expert meeting to contain the economic crisis at the Kantei. Later, talked with Economy, Trade and Industry Minister Nikai.

20:53

Returned to the official residence.

(6) Mori, South Korean premier agree on need to prevent North's "satellite" launch (corrected)

YOMIURI (Page 4) (Full)  
March 18, 2009

Hajime Furukawa, Istanbul

Former Prime Minister Yoshiro Mori of the Liberal Democratic Party and South Korean Prime Minister Han Seung-soo agreed on the view in their meeting on the afternoon of March 17, local time, that Japan, the U.S. and South Korea should take joint steps to prevent North Korea from launching a missile, which Pyongyang calls a "satellite."

Mori met with Turkish President Abdullah Gul on the night of the 16th, local time. In reference to the additional economic package that Prime Minister Taro Aso had instructed the ruling coalition to work out, he said: "The prime minister gives priority to boosting the economy over holding an election or dissolving the House of Representatives."

ZUMWALT